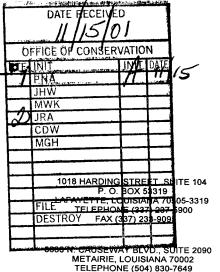
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WILLIAM S. STRAIN*
PARTNER
BATON ROUGE OFFICE

* Also Admitted In Texas

November 15, 2001

Hon. Philip N. Asprodites Commissioner of Conservation P. O. Box 94275 Baton Rouge, Louisiana 70804

Re:

Mio. 7-A Sand, Reservoir A, Mio. 7-B Sand, Reservoir C, Mio. 8-B Sand, Reservoir D, Mio. 8-D Sand, Reservoir B, Mio. 10A Marker Sand, Reservoir A, Mio. 10D Zone, Reservoir A, Mio 12B Sand, Reservoir M, Bol. 4 Sand, Reservoir M, and MC-3 "BF" Zone, Reservoir A, Potash Field, Plaquemines Parish, Louisiana

Dear Commissioner Asprodites:

Application is hereby made on behalf of Greka AM, Inc. to the Commissioner of Conservation for the calling of a public hearing, after legal notice, pertaining to the following matters relative to the Mio. 7-A Sand, Reservoir A, Mio. 7-B Sand, Reservoir C, Mio. 8-B Sand, Reservoir D, Mio. 8-D Sand, Reservoir B, Mio. 10A Marker Sand, Reservoir A, Mio. 10D Zone, Reservoir A, Mio 12B Sand, Reservoir M, Bol. 4 Sand, Reservoir M, and MC-3 "BF" Sand, Reservoir A, Potash Field, Plaquemines Parish, Louisiana:

MIO.7-A SAND, RESERVOIR A

1. To establish rules and regulations governing the exploration for and production of oil and gas from the Mio. 7-A Sand, Reservoir A, in the Potash Field, Plaquemines Parish, Louisiana:

- 2. To create a single drilling and production unit for the Mio. 7-A Sand, Reservoir A, designated as the Mio. 7-A RA SU A as shown on the plat attached hereto;
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created on a surface acreage basis of participation;
- 4. To designate a unit operator and unit well for the unit so created.
- 5. To allow the Commissioner of Conservation to reclassify the Reservoir by supplemental order, without the necessity of public hearing, should the producing characteristics of the reservoir change and evidence to justify reclassification is submitted to and accepted by the Commissioner of Conservation;
- 6. To consider such other matters as may be pertinent to the Mio. 7-A Sand, Reservoir A.

The Mio. 7A Sand, Reservoir A, in Potash Field, Plaquemines Parish, Louisiana, is hereby defined as being that oil and gas bearing sand encountered between the measured depths of 7980 feet (7974' TVD) and 8064 feet (8057' TVD), electric log measurement, in the Greka AM, Inc., No. 93 Orleans Levee Board well, located in Section 13, Township 18 South, Range 15 East, Plaquemines Parish, Louisiana.

MIO.7-B SAND, RESERVOIR C

- 1. To establish rules and regulations governing the exploration for and production of oil and gas from the Mio. 7-B Sand, Reservoir C, in the Potash Field, Plaquemines Parish, Louisiana:
- 2. To create a single drilling and production unit for the Mio. 7-B Sand, Reservoir C, designated as the Mio. 7-B RC SU A as shown on the plat attached hereto;
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created on a surface acreage basis of participation;

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- 4. To designate a unit operator and unit well for the unit so created.
- 5. To allow the Commissioner of Conservation to reclassify the Reservoir by supplemental order, without the necessity of public hearing, should the producing characteristics of the reservoir change and evidence to justify reclassification is submitted to and accepted by the Commissioner of Conservation;
- 6. To consider such other matters as may be pertinent to the Mio. 7-B, Reservoir C.

The Mio. 7B Sand, Reservoir C, in Potash Field, Plaquemines Parish, Louisiana, is hereby defined as being that oil and gas bearing sand encountered between the measured depths of 8130 feet (8122'TVD) and 8170 feet (8162'TVD), electric log measurement, in the Greka AM, Inc., No. 93 Orleans Levee Board well, located in Section 13, Township 18 South, Range 15 East, Plaquemines Parish, Louisiana.

MIO.8-B SAND, RESERVOIR D

- 1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Mio. 8B Sand, Reservoir D, in the Potash Field, Plaquemines Parish, Louisiana:
- 2. To create a single drilling and production unit for the Mio. 8B Sand, Reservoir D, designated as the Mio. 8-B RD SU A as shown on the plat attached hereto;
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created on a surface acreage basis of participation;
- 4. To designate a unit operator and unit well for the unit so created.
- 5. To allow the Commissioner of Conservation to reclassify the Reservoir by supplemental order, without the necessity of public hearing, should the producing characteristics of the reservoir change and evidence to justify reclassification is

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submitted to and accepted by the Commissioner of Conservation;

6. To consider such other matters as may be pertinent to the Mio. 8-B Sand, Reservoir D.

The Mio. 8B Sand, Reservoir D, in Potash Field, Plaquemines Parish, Louisiana, is hereby defined as being that gas and condensate bearing sand encountered between the measured depths of 7791 feet (7684'TVD) and 7828 feet (7721'TVD), electric log measurement, in the Greka AM, Inc., No. 77 Haspel and Davis well, located in Section 13, Township 18 South, Range 15 East, Plaquemines Parish, Louisiana.

MIO.8-D SAND, RESERVOIR B

- 1. To establish rules and regulations governing the exploration for and production of oil and gas from the Mio. 8-D Sand, Reservoir B, in the Potash Field, Plaquemines Parish, Louisiana:
- 2. To create a single drilling and production unit for the Mio. 8-D Sand, Reservoir D, designated as the Mio. 8-D RB SU A as shown on the plat attached hereto;
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created on a surface acreage basis of participation;
- 4. To designate a unit operator and unit well for the unit so created.
- 5. To allow the Commissioner of Conservation to reclassify the Reservoir by supplemental order, without the necessity of public hearing, should the producing characteristics of the reservoir change and evidence to justify reclassification is submitted to and accepted by the Commissioner of Conservation;
- 6. To consider such other matters as may be pertinent to the Mio. 8-D Sand, Reservoir B.

The Mio. 8D Sand, Reservoir B, in Potash Field, Plaquemines Parish, Louisiana, is hereby defined as being that oil and gas bearing sand encountered between the measured depths of 8268 feet

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(8233'TVD) and 8285 feet (8250'TVD), electric log measurement, in the Greka AM, Inc., Haspel and Davis No. 52 well, located in Section 13, Township 18 South, Range 15 East, Plaquemines Parish, Louisiana.

MIO.10A MARKER SAND, RESERVOIR A

- 1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Mio. 10A Marker Sand, Reservoir A, in the Potash Field, Plaquemines Parish, Louisiana:
- 2. To create a single drilling and production unit for the Mio. 10A Sand, Reservoir A, designated as the Mio. 10A MARK RA SU A as shown on the plat attached hereto;
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created on a surface acreage basis of participation;
- 4. To designate a unit operator and unit well for the unit so created.
- 5. To allow the Commissioner of Conservation to reclassify the Reservoir by supplemental order, without the necessity of public hearing, should the producing characteristics of the reservoir change and evidence to justify reclassification is submitted to and accepted by the Commissioner of Conservation;
- 6. To consider such other matters as may be pertinent to the Mio. 10A Marker Sand, Reservoir A.

The Mio. 10A Marker Sand, Reservoir A, in Potash Field, Plaquemines Parish, Louisiana, is hereby defined as being that gas and condensate bearing sand encountered between the measured depths of 8738 feet (8729' TVD) and 8756 feet (8747' TVD), electric log measurement, in the Greka AM, Inc., No. 93 Orleans Levee Board well, located in Section 13, Township 18 South, Range 15 East, Plaquemines Parish, Louisiana.

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MIO.10-D ZONE, RESERVOIR A

- 1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Mio.10-D Zone, Reservoir A, in the Potash Field, Plaquemines Parish, Louisiana:
- 2. To create a single drilling and production unit for the Mio.10-D Zone, Reservoir A, designated as the 10-D RA SU A as shown on the plat attached hereto;
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created on a surface acreage basis of participation;
- 4. To designate a unit operator and unit well for the unit so created.
- 5. To allow the Commissioner of Conservation to reclassify the Reservoir by supplemental order, without the necessity of public hearing, should the producing characteristics of the reservoir change and evidence to justify reclassification is submitted to and accepted by the Commissioner of Conservation;
- 6. To consider such other matters as may be pertinent to the Mio. 10-D Zone, Reservoir A.

The Mio. 10-D Zone, Reservoir A, in the Potash Field, Plaquemines Parish, Louisiana, is hereby defined as being that gas and condensate bearing zone encountered between the measured depths of 9091' (9031' TVD) and 9209' (9046 TVD) electric log measurements in the Greka AM, Inc., No. B-10 Haspel and Davis Well located in Section 14, Township 18 South, Range 15 East, Plaquemines Parish, Louisiana.

MIO.12-B SAND, RESERVOIR M

1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Mio. 12-B Sand, Reservoir M, in the Potash Field, Plaquemines Parish, Louisiana:

- 2. To dissolve the unit created by Office of Conservation Order No. 264-P, effective September 10, 1976 and to simultaneously create a new single drilling and production unit for the Mio. 12-B Sand, Reservoir M, designated as the Mio. 12B RM SU A as shown on the plat attached hereto;
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created on a surface acreage basis of participation;
- 4. To designate a unit operator and unit well for the unit so created.
- 5. To allow the Commissioner of Conservation to reclassify the Reservoir by supplemental order, without the necessity of public hearing, should the producing characteristics of the reservoir change and evidence to justify reclassification is submitted to and accepted by the Commissioner of Conservation;
- 6. To consider such other matters as may be pertinent to the Mio. 12B Sand, Reservoir M.

The Mio. 12B Sand, Reservoir M, in Potash Field, Plaquemines Parish, Louisiana, is hereby redefined as being that gas and condensate bearing sand encountered between the measured depths of 10266 feet (10125'TVD) and 10319 feet (10176'TVD), electric log measurement, in the Greka AM, Inc., No. B-11 Poydras Realty well, located in Section 14, Township 18 South, Range 15 East, Plaquemines Parish, Louisiana.

BOL. 4 SAND, RESERVOIR M

- 1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Bol. 4 Sand, Reservoir M, in the Potash Field, Plaquemines Parish, Louisiana:
- 2. To create a single drilling and production unit for the Bol. 4 Sand, Reservoir M, designated as the BOL 4 RM SU A as shown on the plat attached hereto;
- 3. To force pool and integrate all separately owned tracts,

mineral leases and other property interests within the units so created on a surface acreage basis of participation;

- 4. To designate a unit operator and unit well for the unit so created.
- 5. To allow the Commissioner of Conservation to reclassify the Reservoir by supplemental order, without the necessity of public hearing, should the producing characteristics of the reservoir change and evidence to justify reclassification is submitted to and accepted by the Commissioner of Conservation;
- 6. To consider such other matters as may be pertinent to the Bol. 4 Sand, Reservoir M.

The Bol. 4 Sand, Reservoir M, in Potash Field, Plaquemines Parish, Louisiana, is hereby defined as being that gas and condensate bearing sand encountered between the measured depths of 11171 feet (11098'TVD) and 11260 feet (11187'TVD), electric log measurement, in the Greka AM, Inc., No. B-10 Haspel and Davis well, located in Section 13, Township 18 South, Range 15 East, Plaquemines Parish, Louisiana.

MC-3 "BF" ZONE, RESERVOIR A

- 1. To establish rules and regulations governing the exploration for and production of oil and gas from the MC-3 "BF" Zone, Reservoir A, in the Potash Field, Plaquemines Parish, Louisiana:
- 2. To create a single drilling and production unit for the MC-3 "BF" Zone, Reservoir A, designated as the MC-3 "BF" RA SU A as shown on the plat attached hereto;
- 3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created on a surface acreage basis of participation;
- 4. To designate a unit operator and unit well for the unit so created.

- 5. To allow the Commissioner of Conservation to reclassify the Reservoir by supplemental order, without the necessity of public hearing, should the producing characteristics of the reservoir change and evidence to justify reclassification is submitted to and accepted by the Commissioner of Conservation;
- 6. To consider such other matters as may be pertinent to the MC-3 "BF" Zone, Reservoir A.

The MC-3 "BF" Zone, Reservoir A, in Potash Field, Plaquemines Parish, Louisiana, is hereby defined as being that oil and gas bearing sand encountered between the measured depths of 5342 feet (5329'TVD) and 5496 feet (5483'TVD), electric log measurement, in the Greka AM, Inc., No. 92 Carrere well, located in Section 12, Township 18 South, Range 15 East, Plaquemines Parish, Louisiana.

The Pre-Application conference was held as scheduled on November 8, 2001. In attendance were the parties shown on the attached attendance list. Mr. William S. Strain, an attorney representing the applicant, opened the conference and turned it over the Mr. W. H. Robbins, consulting geologist, who explained the geological and other bases for the applicant's proposal. Following a period of questions and answers, the parties agreed to a compromise of the proposal for the Mio. 10-D RA SUA, and a copy of the revised proposal for that unit is attached hereto. No opposition is anticipated.

Additionally, since the date of the conference, the applicant has found it necessary to revised the sand definitions for the Mio. 7A Sand, Reservoir A, the Mio. 10A Marker Sand, Reservoir A, and the MC-3 BF Zone, Reservoir A, and those revisions are reflected in this application. Further, the applicant has included herein a request to dissolve the original Mio. 12B RM SUA, created by Office of Conservation Order No. 264-P, which request was inadvertently omitted from the Pre-Application Notice. In addition to furnishing the legal notice to all Interested Owners, Represented Parties and Interested Parties, the applicant will provide for posting of the legal notice of the hearing and unit plat in a prominent place in the area of Potash Field. Additionally, the legal notice will be published in a newspaper of general circulation in the vicinity of Potash Field at least fifteen (15) days before the hearing date.

All pertinent data relating to this proposed application may be obtained **AT THE COST OF THE REQUESTING PARTY** from W. H. Robbins, 140 Rue Beauregard, Suite 100, Lafayette, LA 70508-3131, 337-232-5004.

Enclosed to the Commissioner of Conservation and District Manager **ONLY** is a list of Interested Owners, Interested Parties and Represented Parties to whom a copy of this application is

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being sent and a plat outlining the Mio. 7-A Reservoir A, Mio. 7-B Sand, Reservoir C, Mio. 8-B Sand, Reservoir D, Mio. 8-D Sand, Reservoir B, Mio. 10A Marker Sand, Reservoir A, Mio. 10D Zone, Reservoir A, Mio 12B Sand, Reservoir M, Bol. 4 Sand, Reservoir M, and MC-3 "BF" Zone, Reservoir A, Potash Field, Plaquemines Parish, Louisiana. Since the Mio. 10-D Zone, Reservoir A proposal has been revised as a result of the conference, a copy of the revised plat of that proposed unit is being sent to Interested Owners, Interested Parties and Represented Parties. Copies of the list and the other plats will be provided upon request. A reasonable effort has been made to ascertain the names and addresses of all Interested Owners, Interested Parties or Represented Parties. Also enclosed is our check payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,

STRAIN, DENNIS, MAYHALL

& BATES, L.L.P.

William S. Strain

WSS:mbw

